

## Article 50A.

### Association Health Plans and Multiple Employer Welfare Arrangements.

#### **§ 58-50A-1. Definitions.**

The following definitions apply in this Article:

- (1) Employer member. – A person or entity acting directly as the employer of at least one employee, or a working owner, either of whom is a participant covered under a Path 2 MEWA.
- (2) Employee welfare benefit plan. – The term as defined in Section 3 of the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1002(1), as amended.
- (3) Multiple employer welfare arrangement or MEWA. – The term as defined in Section 3 of the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1002(40(A)), as amended, that meets at least one of the following criteria:
  - a. Has at least one employer member of the MEWA that is either domiciled in this State or has its principal headquarters or principal administrative office in this State.
  - b. Solicits an employer that is domiciled in this State or that has its principal headquarters or principal administrative office in this State.
- (4) Path 2 MEWA. – A MEWA that is established or maintained by an association of employers classified by the United States Department of Labor as a bona fide group or association under the requirements of 29 C.F.R. § 2510.3-5 and is formed by a sponsoring association that meets the following requirements:
  - a. Has a constitution or bylaws that provides for all of the following:
    1. Regular meetings.
    2. Collection of dues from members.
    3. Operation by a board of trustees that includes an owner, partner, officer, director, or employee of at least one of the employer members of the association.
  - b. Has at least one substantial business purpose unrelated to the offering and providing of health insurance or other employee benefits to its employer members and their employees.
  - c. Has a commonality of interest shared among the employers comprising the Path 2 MEWA based on either of the following:
    1. Establishment by employers in the same trade, industry, line of business, or profession.
    2. Being a statewide organization where each employer that is a member of the organization has a principal place of business that does not exceed the boundaries of the State or a metropolitan area that is at least partially within the State, even if that metropolitan area includes portions of other states.
- (5) Sponsoring association. – An association of two or more employer members that offers an employee welfare benefit plan as a Path 2 MEWA. For purposes of this Chapter, a sponsoring association that meets the requirements of this Article shall be deemed to be a large employer. (2019-202, s. 1.)